



November 15, 2010

Honorable Mayor and City Councilors
City of Ankeny
410 W. First Street
Ankeny, Iowa 50023

SUBJECT: 2011-2015 Capital Improvements Program

Dear Mayor Van Oort and Council Members:

Several critical success factors influence how well the City of Ankeny can innovate to meet the challenges ahead; one of the most important is a smart, forward looking and integrated infrastructure program. The focus is on three core missions in this citizen-centric program:

- Provide a healthy, pleasant and safe living environment for Ankeny residents
- Strengthen economic vitality, demand, and competitiveness, and
- Sustain a pattern of funding infrastructure investments—buildings, roads, utilities, waterways, and quality of life.

Ankeny has been proactive in our response to changing demographics and the current economic slowdown. We now use a process to prepare the capital improvements program which supports achievement of the City Council's vision and strategy. Key to this strategy is the council's recognition of investment in infrastructure as a source of sustained competitive advantage for Ankeny.

Continuing to meet the growing needs of our community is made more difficult by the many financial constraints facing many cities, including Ankeny, for the foreseeable future. Previous efforts to develop a long-term strategy and prioritize short-term goals have helped to achieve sustained prosperity. That is to say Ankeny has been deliberate, tactical, and paid special attention to its fiscal responsibilities. Still, we have arrived at a time when we face significant challenges and threats to our ongoing efforts of competitiveness and economic growth.

Unquestionably, continued investment in effective and efficient infrastructure is a key factor supporting our core mission. Up until now, the City's infrastructure strategy has taken a holistic view of the community, determined where and when to invest, articulated key objectives and helped define schedules. This framework for strategic infrastructure investment respects two key realities: the city has to perform on an array of prioritized goals, and the city has limited resources. The question is how to leverage these realities successfully as we navigate this new political and economic landscape.

Although a shift in thinking about our new realities is prudent it is also critical to maintain the annual capital improvement process for the purpose of developing a five-year capital improvement plan (CIP). The five-year capital improvement plan included herein is for calendar years 2011-2015. The first year of the capital improvement program will be included as part of the budget submitted for Council

approval in March 2011. The first year of the program also determines the amount of bond anticipation notes and other debt instruments that will be issued over the upcoming year.

Just like last year, there is discussion about “the new normal”. In the same way cities have different visions and priorities for achieving their objectives; I submitted the idea that Ankeny’s new normal is familiar; one where city leaders chart a course that continues to provide sustainable prosperity for its residents. Of course, we must optimize the use of limited resources, identify investments having the greatest impact, and secure our ability to emerge from the Great Recession, poised to take advantage of the inevitable economic upswing, and maintain our position as one of Iowa’s leading communities. Our new normal now includes extending the CIP from five years to ten years. A ten-year capital improvements program, which includes a five-year plan, provides a more accurate representation of city infrastructure planning. We are well-positioned to take advantage of a very competitive infrastructure bidding environment, making large-scale infrastructure projects more cost-effective.

Work on the 2011-2015 CIP has been completed to a point where I can present the proposed 2011-2015 CIP for council approval. Notable revisions recommended in the 2011-2015 CIP include:

1. Traditional support from federal and state governments for construction of new infrastructure or reconstruction of existing infrastructure has waned, and greater sums of local resources are necessary to finance local infrastructure investments.
2. The severe winter of 2009-2010 placed unpredictable demands on Ankeny’s transportation infrastructure requiring extensive repair work. Funds appropriated for Annual Programs projects were reprioritized; spending authority was transferred from park development and park land acquisition to street maintenance for the three-year period 2010-2012.
3. 2010-2014 CIP projects were moved forward one year and then reevaluated. The only major project added in the proposed 2011-2015 CIP is the Crosswinds Business Park RISE project.
4. Relocation of large capital projects, such as the East 1st Street Interchange and NE 18th Street Bridge projects, to later in the ten year planning window. These changes are as a result of item #1 discussed above and the lack of local funding capacity to support these projects.

I am pleased to forward for your review the attached set of draft CIP information including appendices, plan maps, individual project sheets, and summaries of projects by year and by category. I look forward to our discussions regarding projects, timing, financing, and determining the scope of the 2011-2015 capital program.

Respectfully Submitted,



Carl M. Metzger
City Manager

2011-2015 Capital Improvement Program

Introduction

The Capital Improvements Program (CIP) serves as an effective guide for the efficient and effective provision of public facilities, outlining timing and financing schedules of capital and infrastructure projects for a ten-year planning period, five-year forecast period, and for the next fiscal year capital budget.

The CIP identifies capital needs, establishes priorities, and identifies potential funding sources. Key sources of identifying capital requirements include the Ankeny Plan as well as professional studies of facilities, transportation, utilities, and drainage needs.

The CIP neither appropriates funds nor authorizes projects. The city council must act to initiate each project. Proceedings to initiate capital improvements are presented when sources of funding are available.

The capital budget is a significant part of the 2011-2012 Budget. It represents costs associated with capital projects in the first year of the 2011-2015 Capital Improvements Program.

Such projects may include land acquisitions, the construction and acquisition of new buildings, additions to or renovations of existing buildings, construction or reconstruction of street and utility infrastructure, and major equipment purchases. Because of the size and magnitude of these projects, bond funds are a major source of financing for projects including utility projects.

Annually, staff performs a systematic evaluation of capital project requirements, updates the adopted Capital Improvements Program document, incorporates recommended changes, and submits the revised program to the city council for consideration, modification, and adoption as a part of the annual budget process.

During the preparation and review of the recommended Capital Improvements Program, city management staff employed experience-based judgment to identify which projects can be accomplished within a given year, within the limit of the City's control. As would be expected, project expenditure and revenue estimates for the earlier years are more precise than the latter years.

Numerous sources are drawn upon to develop the expenditures included within this document including plans and/or studies completed or currently in process. The following is a listing of those studies and includes future studies anticipated to assist in the development of future capital improvement programs.

Completed Studies (Within Last 5 Years)

- Fox Engineering Water System Study (2002, 2006 Supplement)
- Urban Design Associates Prairie Trail Master Plan (2006)
- Economic Research Associates Prairie Trail Retail Market Analysis (2006)
- Economic Research Associates Prairie Trail Park Facilities & Trails Economic Impact Study (2007)
- Williams Architects Fire and Police Departments Space Needs Assessment (2005)

- Veenstra and Kimm – Golfview Acres and Country Club Court Sewer Feasibility Study (1998, 2006 Update)
- HR Green Interchange Justification Study (NE 36th - E 1st Street Interchanges) (2007)
- RDG Crosswinds Business Park Master Plan (2007)
- Economic Research Associates Crosswinds Real Estate Market Assessment (2007)
- Paul Miller Design, Inc. Otter Creek Redevelopment Plan (2006)
- Barker Lemar Study – Demolition and Disposal of Ordnance Plant Wastewater Treatment Complex and Landfill (2006)
- Wilson Estes Architects Headquarters Police Station Plan (2007)
- RDG Parks & Facilities Comprehensive Plan (2007)
- Snyder and Associates U.S. Highway 69 Roadway Improvements Study (2006)
- Nilles Associates Saylor Creek Tributary Conceptual Design Plan (2006)
- RDG Library Services Space Needs Assessment (2006)
- Aaron Cohen Associates Library Facilities and Operations Analysis (2007)
- SVPA Architects Headquarters Fire Station Remodeling and Fire Station #2 Plan (2007)
- Water's Edge Inc., Aquatic Center Facilities Feasibility Study (2008)
- Kirkham & Michael Westwinds Slope Stability Study (2008)
- Nilles Associates North Creek Stream Corridor Study - NW 5th St. to NW 18th St.(2008)
- Veenstra & Kimm Stormwater Drainage Study – SE 4th St and Wanda Dr Area (2008)
- Snyder and Associates Four Mile Creek Tributaries Stormwater Analysis (2008)
- Veenstra & Kimm Sanitary Sewer System Evaluation (2008)
- Water's Edge Inc., Aquatic Center #2 Architecture & Design Plan (2008)
- Snyder & Associates Safe Route to Schools Study (2008)
- Polk County Saylor Creek Interceptor-Rock Creek Extension (2007)
- Des Moines Water Works Long Range Plan Water Treatment (2009)
- Des Moines Water Works Long Range Plan Water Distribution (2009)
- DMAMPO 2030 Long-Range Transportation Plan (2000, 2008 Update)
- RDG Ankeny Comprehensive Plan Update (2008)

Current Studies

- Uptown Redevelopment Plan (Internal – City Staff) (2007)
- RDG Interstate 35 Bluebelt Corridor Study (2008)
- Nilles Associates Wildflower Plat 2 Storm Water Review Study (2008)
- Snyder and Associates/Polk County - Saylor Creek and Rock Creek–Equalization (2009)
- Nilles Associates Promenade Park Master Plan Update (2009)
- Nilles Associates Prairie Trail Master Plan Update (2009)
- Wink Associates Woodland Reserve Greenway Master Plan (2010)
- ICAAP Traffic Signalization and Timing Study (2010)

Future Studies

- Ordnance Road Redevelopment Plan (Internal – City Staff)
- Nilles Associates Promenade Park Master Plan
- Nilles Associates Chautauqua Park Master Plan

Capital Improvement Program Goals

- City Council Goals 2015. Five goals adopted by the Ankeny City Council in 2007 provide policy guidance for the evaluation of capital improvement projects. City of Ankeny Goals 2015 include:
 1. Maintain a Financially Sound City Providing Valued Services
 2. Develop a Vibrant Prairie Trail
 3. Develop Ankeny as a Regional Business Center
 4. Improve Mobility and Infrastructure
 5. Manage Growth and Revitalization
- Ankeny Plan. In addition to Goals 2015 the Ankeny Plan serves as the basis for many of the City's policy decisions related to a wide range of issues. Decisions related to capital projects also are tied to the Ankeny Plan. Comprehensive Plan goals related to the 2011-2015 Capital Improvements Program include:
 1. Provide infrastructure investments that correspond to the community's growth potential.
 2. Ensure that development within Ankeny and on Ankeny's periphery demonstrates environmental responsibility and adheres to the City's long-term growth goals.
 3. Assure the transportation system is adequate to meet future needs.
 4. Encourage the development of an interconnected system of parks, trails, and civic parkways and maintain a high level of service for recreational facilities as new neighborhoods emerge.

Process

The annual capital improvement process is a process created for the purpose of developing a ten-year plan and a five-year capital improvement program. The five-year capital improvement process is for calendar years 2011-2015. The CIP process is intended to provide a format for departments to submit projects to the City Manager and to the City Council while providing an objective means for reviewing and ranking capital projects. The first year of the capital improvement program will be included as part of the budget submitted for Council approval next March. The first year of the program also determines the amount of bond anticipation notes and other debt instruments that will be issued over the upcoming year.

The capital improvement process includes a submittal form that gathers information about capital projects including information on the department, the project type and purpose, funding sources, underlying City studies, and reasons for the project's timing. These factors will be combined with other factors such as relevance to City Council goals, method of financing, and whether or not it is new or replacement work. Evaluation criteria will be applied to the relevant factors which will provide each project with a score that will be used to rank and prioritize each project.

Since the debt for the upcoming year's projects will be issued next spring and these projects will also become part of the adopted budget, the emphasis in the capital improvement process will be on the upcoming year's capital program. The projects for the remaining four years of the program will become part of the City's long-term financial plan and five-year capital improvement plan, and will not have debt issued for them until future years. These projects are still an important part of the capital improvements program as they help shape the debt issues and debt service levy into the future.

Synopsis

The Capital Improvements Program for 2011-2015 totals \$134,817,029. Of this total 25.6% is for transportation projects, 3.6% is for parks and trails, 34.3% is for municipal utility and drainage projects, 24.9% is identified for Crosswinds and Prairie Trail, including public facilities and land, and 8.9% for annual infrastructure reinvestment.

Capital Budget requirements for 2011 total approximately \$41 million. Capital spending authorizations by project category the upcoming year include:

▪ Annual	\$3,656,000
▪ Prairie Trail	\$5,016,380
▪ Crosswinds	\$5,200,000
▪ Transportation	\$10,517,000
▪ Water/Sewer	\$8,270,500
▪ Parks/Recreation	\$1,475,000
▪ Public Safety	\$1,100,000
▪ Drainage	\$5,807,600

This program represents a concerted effort to ensure that needed capital projects and infrastructure are in place in a timely manner to accommodate continued growth and development in the community. Staff has worked to mitigate the impact that debt service requirements would have on the annual property tax levy by careful review of the need for the projects, timing of these projects, and by making several policy recommendations for funding, described in other sections of this document.

Program Overview

The capital improvement program provides an organized timeline and objective grading criteria for the purpose of scheduling capital projects and planning long-term debt. The annual program calendar starts in October and culminates in late 2010 so that next year's capital expenditures and debt issues are finalized and ready to be included in the City's final budget for the upcoming year.

As a part of the process, capital projects are individually submitted on forms by each department. The projects are then evaluated based on the information provided on the forms. The following criteria are used for evaluating capital projects:

- Meets Legal Mandates
- Removes or Reduces Hazards
- Advances a Council Goal
- Improves Efficiency
- Maintains Standard of Service
- Supports Economic Development
- Improves Service
- Facilitates New Services
- Improves the Quality of Life or Aesthetic Values
- Offers Convenience

These urgency-of-need criteria are used as general guidelines that point to rather than determine priorities among capital project requests. In evaluation the urgency of need, affordability is given strong consideration.

Once the projects are evaluated using the above criteria, they will then be ordered based upon their fund source and project year. Project summaries and order will then be reviewed by the City Manager and organized for presentation to the City Council.

Program Calendar

October 11, 2010

City Council CIP budget workshop. City Council and City Manager review capital budget process overview, capital planning, project ranking/priority list for Calendar Year 2011, and incorporation of Council policy preferences.

October 25, 2010

City Council CIP budget workshop to review financial plan and debt service requirements for draft 2011-2015 CIP. Discuss 2011 BAN/Bond Issues.

November 15, 2010

City Council holds Public Hearing and adopts 2011-2015 Capital Improvements Program.

March 7, 2011

Following public hearing, City Council FY 2012 Budget adopted, including Debt Service Fund appropriation and 2011 capital project expenditures.

City Council CIP Policies

The following is the Capital Improvements Program Section of the Budget Policy Statement approved by the City Council on September 15, 2008.

- **Projects**—Evaluate all requests for capital improvement projects using the following criteria:
 - a. Source of funding including availability of additional revenue
 - b. Total project cost (design and development) and schedule for completion
 - c. Life of asset
 - d. Benefits to the city including but not limited to the affect on future operating and maintenance costs, economy, services, public health and safety, the environment, segment of population to be affected, and special considerations.
 - e. Alternatives considered
 - f. Consequences of not funding or deferral
 - g. Evaluation of citizen input
 - h. Impact on strategic plan for the city.

- Cost Estimates—Revise cost estimates after completion of design.
- Design—Design facilities using current technology in order to be efficient and cost effective, protect the public welfare and minimize adverse effects on the environment.
- Multi-Year Projects—Annually evaluate multi-year capital projects.
- Priorities—Give priority to replacement or repair of existing assets.
- Plan Maintenance—Prepare and update annually a capital improvement plan including construction and purchases of city assets.
- Non-Construction Expenses—Limit interest, operating, administrative and/or maintenance expenses capitalized for capital projects to those expenses incurred prior to actual operation of the facility.
- Offices—Consolidate offices into fewer buildings and move from leased to owned facilities as much as possible.
- Long-Term Financing—Long-term borrowing shall be limited to capital improvement projects that cannot be financed from current revenues and to capital equipment with a useful life of 20 years or greater and a purchase cost of \$250,000 or greater. Other policies governing long-term debt include:
 - a. Finance capital projects for a period not to exceed the expected useful life of the project.
 - b. Maintain good communication with rating agencies and provide required disclosure on every financial report and bond prospectus.
 - c. Prohibit debt or bond financing from being used to support current operating expenditures.
 - d. Total debt outstanding, including overlapping debt, will be considered when planning additional debt issuance.
 - e. The City's share of utility projects, including City cost of over-sizing of water, sewer and storm sewer mains, should be financed with utility funds and other revenue sources when funds are appropriate and available.
 - f. The use of general obligation bonds for projects does not dismiss the potential pro-rata payment for debt service by specifically benefitted funds such as water, sewer, drainage, or road use.
 - g. Financing requirements will be reviewed annually. The timing for financing will be based upon the City's needs for funds, market conditions and debt management policies.

Financial Plan

Annually the city undertakes a wide variety of infrastructure projects ranging from water/sewer pipe installation to paving of city streets. The same goes for the funding of those projects, with an assortment of funding sources from levying of property tax to federal appropriations. A constant challenge for city staff is trying to find resources beyond property taxes to help with maintaining and enhancing the city's infrastructure while lessening the burden on Ankeny taxpayers.

The financial plan for the proposed 2011-2015 leverages resources in excess of \$135 million. When discussing a financial plan for a CIP the issuing of debt to cover project obligations is always a critical factor. The financial plan uses the city's traditional method of using 2-year temporary financing in the form of Bond Anticipation Notes (BAN), with the use of 10, 15 & 20 year Bonds for permanent financing. The following summary provides a breakdown for each major funding category the city uses to provide resources for projects. Following the summary is a number of supporting tables and graphs to provide a visual explanation of the proposed financial plan.

Property Tax

Property taxes, specifically those collected via the city's debt service levy, is the largest source of revenue for the proposed CIP, representing about \$57 million or 42.4% of the overall financial plan. Property tax revenue is used to make the principal and interest payments for any general obligation (GO) debt issued by the city to pay for infrastructure projects. There are five types of GO debt issued by the city, with all types backed by the full faith and credit of the city's taxing authority:

- 1) Regular GO debt – debt service levy only
- 2) Water-abated GO debt – reimbursement received from city's water fund
- 3) Sewer-abated GO debt – reimbursement received from city's sewer fund
- 4) Storm-abated GO debt – reimbursement received from city's stormwater fund
- 5) Tax increment financing-abated GO debt – reimbursement received from capturing taxes paid to all taxing authorities on certain new commercial & industrial properties
- 6) Referendum approved GO debt – additional debt service levy authority for capital projects approved by a vote of a super-majority (60%) of Ankeny taxpayers, such as the \$27 million Public Safety Bond Referendum approved in May 2006 with 82% voter approval.

The proposed CIP continues a higher reliance on regular GO debt consistent with prior years. The city experiences various cycles where some years there is higher abated debt than regular debt. Large projects such as the reconstruction of NE 36th Street, extension of Magazine Road, and widening of Delaware Ave have moved the city into a regular debt cycle. This situation has been planned for by allowing the debt service fund to build up a sizeable cash balance to handle the higher debt payments. This planning has been sufficient for prior CIP's, although now future debt service levy adjustments will be needed to provide sustained resources for the CIP. Included in the proposed CIP documents, city staff has updated figures for the funding options shown to the Council in past years, and a new "Hybrid" option introduced this year, to ensure sustained support from the debt service levy. These options represent different methods the Council could employ to fully fund the project expenditures currently proposed for the 2011-2015 CIP.

Tax Increment Financing (TIF)

The use tax increment financing (TIF) to abate some of the GO debt issued by the city is a way for the city to allow for growth, specifically commercial & industrial growth, to pay for itself. Of the \$57 million of GO debt discussed above about \$32 million, or 56.1%, of GO debt is financed through TIF abatements. The majority of the TIF-abated projects are located within the Prairie Trail development per the developer agreement with DRA Properties. These projects, such as The District at Prairie Trail and SW Prairie Trail Parkway, are designed to provide access to the commercial areas and encourage commercial investment in Prairie Trail.

Outside of Prairie Trail there is new infrastructure investment in the areas of the Crosswinds Business Park and the 36th Street/I-35 Interchange being supported by TIF financing. In Crosswinds the city's upfront investment of the initial roads serving the business park will be supported through TIF revenues with the balance being paid for through the state's Rebuild Iowa's Sound Economy (RISE) program. In addition, the City's investment in the 36th Street Interchange will be paid for via TIF revenues from new commercial investment anticipated in the area surrounding the interchange.

The Council is beginning the process this fall to create a new TIF district around the proposed 36th Street/I-35 Interchange project to allow the city to leverage private investment to fund infrastructure improvements related to the interchange discussed above. In addition, this TIF district could be extended to assist in funding transportation improvements along the NE 36th Street corridor.

Municipal Utility Revenues

The city's municipal utilities (water, sewer, storm water) help support numerous infrastructure projects to ensure each utility can adequately provide service to Ankeny's utility customers. Resources from the utility funds make up around \$29 million, or 21.7%, of the proposed CIP financial plan. Funds from the utilities go to pay for abatements of the GO issued debt discussed above, or to pay principal and interest payments for debt issued by each utility based on the revenues of the utility. These debt instruments are called Revenue Bonds and unlike GO Bonds are not backed by the full faith and credit of the city's taxing authority. Instead, the Bonds are supported by the amount of revenue each utility generates. One additional debt instrument used by the city is a loan from the State Revolving Fund (SRF). Iowa's SRF provides low-interest loans to communities looking to provide enhanced sewer service to its residents.

The largest project to be paid for through resources of a utility is the Rock Creek Laterals project. This project is in conjunction with the inter-local (28E) agreement signed with Polk County to allow the Golfview Acres and Country Club neighborhoods to connect to the Rock Creek Sewer the County is constructing over the next few years. Other projects include the sewer projects identified in the engineering study performed by Veenstra and Kimm to minimize sewer back-ups in the community.

In November the Council will be asked to approve proceedings to issue revenue bonds for the sewer utility. The revenue bonds are to provide resources needed to undertake the multiple phases of sewer projects in the Veenstra and Kimm study. To provide resources for the revenue bond debt payments, GO debt abatements and normal operating expenses each utility charges a fee to its customers. The fees supporting the utilities are analyzed on an annual basis by the city's financial adviser, Public Financial Management (PFM). No immediate revenue bonds for the water utility are expected at this time, although it is anticipated the City will utilize revenue bonds for extension of the SW Oralabor Road Water Main in 2015.

Storm Water Utility

The function of the storm water utility as a funding mechanism for drainage improvements was established by the Council during last year's CIP process. The proposed CIP provides for \$250,000 each year from the storm water utility to go towards small drainage improvement projects. In addition, this financial plan includes \$8.5 million worth of drainage projects funded through the storm water utility fund by means of General Obligation Bonds abated by storm water utility revenues. These projects

were identified through the various drainage engineering studies completed last year. A fee structure of \$3/ERU for non-residential properties and \$4/ERU for residential are currently in effect.

Last year, PFM completed an evaluation of the city's newly created storm water utility rate structure to project what rates will be needed to provide adequate resources for the utility to fund future operational and debt expenses, including the \$8.5 million worth of drainage projects. The projections completed by PFM show the city would not need to increase the storm water utility rate until FY2013 to provide adequate resources to the storm water fund. The projections suggest a \$0.50 increase in each rate in FY2013 and another \$0.50 increase in FY2014.

Grants & Intergovernmental

Every year city staff looks for opportunities outside of the normal funding mechanisms (property tax and utility rates) to assist with the construction of infrastructure projects. These opportunities can include awards of federal and state grants, regional resources or assistance from other taxing bodies. The proposed CIP financial plan identifies about \$27 million to be received from grant awards or intergovernmental assistance, representing 19.9% of all revenue sources. A few of the grants identified in the financial plan have already been awarded to city, such as a \$7.1 million federal earmark for the 36th St/I-35 Interchange and various STP/STP-TE awards from the Des Moines Area Metropolitan Planning Organization (DMAMPO). Other grants have either been applied for already, waiting on award announcements, or the city anticipates making future applications for the funding.

The project relying the most on grant and intergovernmental support is the 36th St/I-35 Interchange, with a project cost of over \$27 million. This project has already received a \$7.1 million federal earmark and it is anticipated the city will receive about \$8 million in support from the Iowa Department of Transportation through their own five-year CIP. Going forward the financial plan proposes the city to seek additional grants through the DMAMPO and funding assistance from Polk County. Grants and intergovernmental assistance represent 80% of the funding support for the project.

Other assistance includes grants from the state for recreational trails (Neal Smith & Gay Lea Wilson), and economic development activity (Crosswinds Business Park Roads Phase 1). Furthermore, funding assistance of a little over \$1 million is anticipated from the Ankeny School District for infrastructure projects related to the construction of a second new high school along NW State Street, just north of NW 18th Street, and a shared parking lot for the new Prairie Trail Elementary School and Cascade Falls Aquatic Center.

Private & Developer Contributions

The financial plan relies upon substantial contributions from private sources, with the vast majority coming through the development agreement with DRA Properties for Prairie Trail. Approximately \$12.4 million of private and developer contributions is proposed to support the CIP financial plan, representing 9.2% of total revenues. The Prairie Trail development agreement with DRA established a Civic Trust Fund by which DRA agrees to deposit \$1.25 in the Civic Trust Fund for every \$1.00 the city spends on infrastructure in Prairie Trail, with a contribution maximum of \$25 million. An amendment to expand the Civic Trust Fund agreement was approved by the City Council and DRA to add an additional reimbursement for the City's infrastructure investment in Prairie Trail. Under this amendment DRA agrees to deposit \$1.00 in the Civic Trust Fund for every additional \$1.00 the city spends on infrastructure in Prairie Trail, up to a maximum of \$20 million. This is on top of the original \$25 million,

bringing the total City investment in Prairie Trail to \$40 million and Civic Trust Fund reimbursements by DRA at \$45 million.

In the proposed 2011-2015 CIP \$7 million worth of projects are expected to be funded through the Civic Trust Fund. The only project utilizing Civic Trust Fund support is the multiple year construction of the signature park in Prairie Trail, Chautauqua Park. Development of the park will use Civic Trust Funds in each year of the 2011-2015 Plan. City staff will also seek grant opportunities and private fundraising to support development of the \$12 million Park.

Financial Plan Overview

The financial plan presents a diversified approach to funding the proposed 2010-2014 capital improvements program with over 55% coming from non-property tax sources. The plan focuses on finding revenue sources from outside the community to lessen the burden on Ankeny taxpayers and aggressively seeks partnerships for enhancing the city's infrastructure. This CIP financial plan continues the heavier reliance on regular GO debt as seen in years past, with substantial investments in infrastructure rehabilitation. Typically, any rehabilitation funding, especially for street rehabilitation, is funded directly by property taxes from the debt service levy, with little to no abatement. Below is a quick summary of the funding sources for the proposed 2011-2015 CIP.

<u>Funding Source</u>	<u>Revenue (\$)</u>	<u>% of Overall</u>
Property Taxes	\$57,425,959	42.4%
Municipal Utility Revenues	\$29,448,950	21.7%
Grants & Intergovernmental	\$26,977,920	19.9%
Private & Developer Contributions	\$12,474,000	9.2%
Miscellaneous Revenues	<u>\$9,147,600</u>	<u>6.8%</u>
	\$135,474,429	100%

Conclusion

Over the past two months the City Council has held workshops to review the projects and financial plan included in the proposed CIP. This document represents the conclusion of a systematic process employed by the City Council and city staff to develop a five-year program of infrastructure projects critical to the growth and prosperity of the Ankeny community.